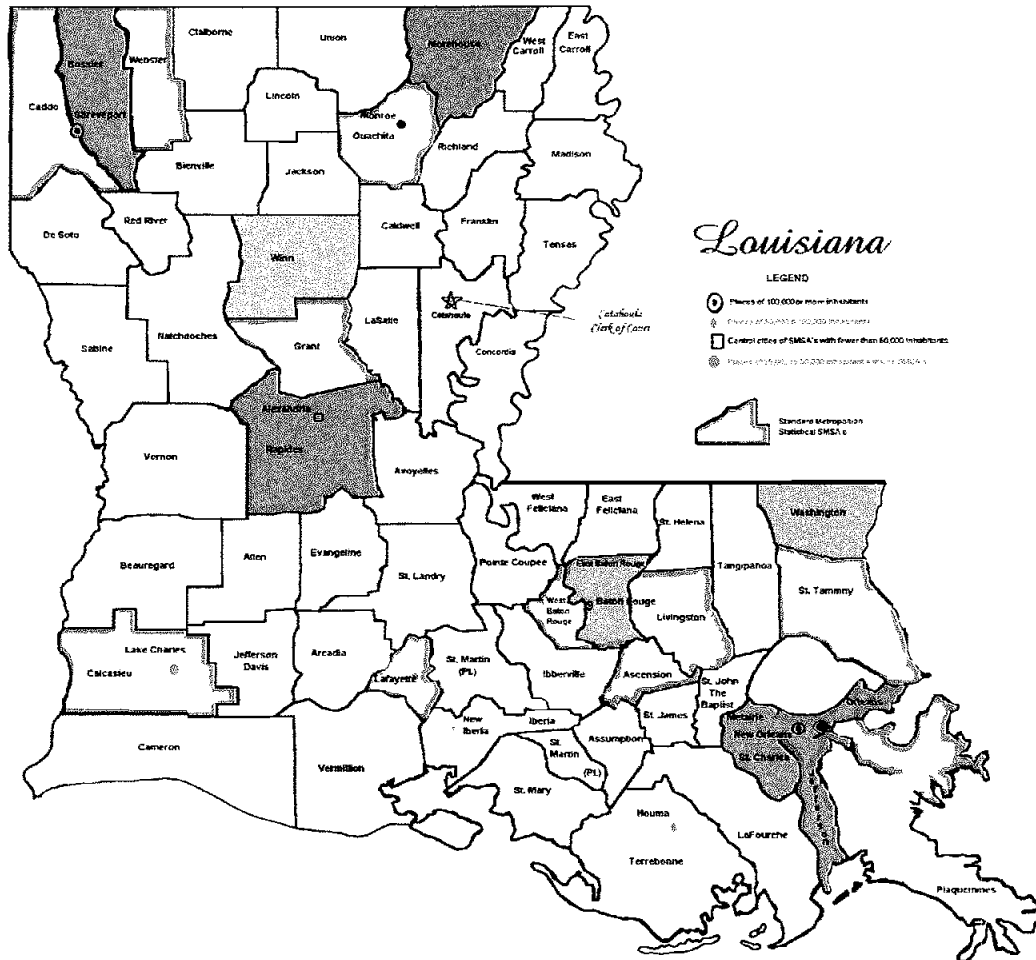


CATAHOULA PARISH CLERK OF COURT

Component Unit Financial Statements

JUNE 30, 2014

CATAHOULA PARISH CLERK OF COURT HARRISONBURG, LOUISIANA



✓ As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

CATAHOULA PARISH CLERK OF COURT
Harrisonburg, Louisiana

Component Unit Financial Statements
As of and for the Year Ended June 30, 2014

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Janet T. Payne
Catahoula Parish Clerk of Court
Harrisonburg, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of June 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Catahoula Parish Clerk of Court's basic financial statements. The accompanying supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014 on our consideration of the Catahoula Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catahoula Parish Clerk of Court's internal control over financial reporting and compliance.

The Vercher Group

August 28, 2014
Jena, Louisiana

Catahoula Parish Clerk of Court
Honorable Janet Payne, Clerk
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Harrisonburg, Louisiana 71340
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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Catahoula Parish Clerk of Court, we offer readers of the Catahoula Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Clerk of Court for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the Clerk of Court's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The liabilities of the Clerk exceeded its assets at the close of the most recent fiscal year by \$248,827 (*net position*).
- The Clerk had total revenue of \$496,352, which is a \$40,442 decrease from last year's revenues.
- The Clerk had total expenditures of \$498,890, which is a \$59 decrease from last year's expenditures.
- At the end of the current fiscal year, the Clerk had a net change in fund balance of \$(2,538), resulting in an ending fund balance of \$165,685.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the Catahoula Clerk of Court's basic financial statements. The Catahoula Clerk of Court's basic financial statements consists of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Clerk of Court is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Clerk adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

MD&A

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Catahoula Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Reporting the Clerk's Department's Most Significant Funds

The Catahoula Parish Clerk of Court's financial statements provide detailed information about the most significant funds. The Catahoula Parish Clerk of Court may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

The basic financial statements include one kind of statement listed below.

- **General Fund**

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

- **Agency Fund**

The Advance Deposit and Registry of Court Agency Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

USING THIS ANNUAL REPORT

The Catahoula Parish Clerk of Court's annual report consists of financial statements that show information about the Catahoula Clerk of Court's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Statement of Net Position

The following table represents a condensed Comparative Statement of Net Position as of June 30, 2014:

Assets	2013	2014	% Difference
Current Assets	\$ 169,208	\$ 167,276	-1.1
Capital Assets, Net	42,506	34,004	-20.0
Total Assets	<u>211,714</u>	<u>201,280</u>	-4.9
Liabilities and Net Assets			
Current Liabilities	985	1,591	61.5
Non-Current Liabilities	287,433	448,516	56.0
Total Liabilities	<u>288,418</u>	<u>450,107</u>	56.1
Net Position			
Invested in Capital Assets, Net of Related Debt	42,506	34,004	-20.0
Unrestricted	(119,210)	(282,831)	137.3
Total Net Position	<u>\$ (76,704)</u>	<u>\$ (248,827)</u>	224.4

Changes in Fund Balances

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2014:

Revenue	2013	2014	% Difference
Fees & Charges	\$ 493,266	\$ 485,559	-1.6
Grants	35,200	-0-	-100.0
Interest Income	3,974	3,940	-0.9
Other	4,354	6,853	57.4
Total Revenue	<u>536,794</u>	<u>496,352</u>	-7.5
Expenditures			
Personnel & Related Benefits	372,959	392,870	5.3
Operating Services	84,508	92,640	9.6
Travel & Professional Development	10,548	9,095	-13.8
Intergovernmental	9,473	4,285	-54.8
Capital Outlay	21,461	-0-	-100.0
Total Expenditures	<u>498,949</u>	<u>498,890</u>	-0.0
Increase (Decrease) In Fund Balances	37,845	(2,538)	106.7
Beginning Fund Balances	130,378	168,223	29.0
Ending Fund Balances	<u>\$ 168,223</u>	<u>\$ 165,685</u>	-1.5

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSETS:

At June 30, 2014, the Catahoula Clerk of Court had \$34,004 invested in capital assets, net of accumulated depreciation comprised of furniture and equipment.

Capital Assets at Year-End

	2013	2014	% Change
Furniture, & Equipment	\$ 123,902	\$ 123,902	0.0
Accumulated Depreciation	(81,396)	(89,898)	9.5
Total	\$ 42,506	\$ 34,004	-20.0

CONTACTING THE CLERK'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens with a general overview of the Clerk's finances and to demonstrate the Clerk's accountability for the money it receives. If you have questions about this report or need additional information, contact Janet Payne, Clerk of the Catahoula Clerk of Court, PO Box 654, Harrisonburg, Louisiana, 71340, at (318) 744-5497.

Basic Financial Statements

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Net Position
June 30, 2014**

	Governmental Activities
Current Assets	
Cash	\$ 149,588
Investments	15,000
Receivables (Net of Allowances For Uncollectable)	2,688
Total Current Assets	<u>167,276</u>
Non Current Assets	
Capital Assets (Net of Accumulated Depreciation)	34,004
Total Non Current Assets	<u>34,004</u>
Total Assets	<u>201,280</u>
Current Liabilities	
Accounts, Salaries, & Other Payables	1,591
Total Current Liabilities	<u>1,591</u>
Non Current Liabilities	
OPEB Obligation	448,516
Total Non Current Liabilities	<u>448,516</u>
Total Liabilities	<u>450,107</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	34,004
Unrestricted	(282,831)
Total Net Position	<u>\$ (248,827)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2014**

PROGRAM REVENUES					NET (EXPENSES) REVENUES & CHANGES OF PRIMARY GOVERNMENT
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants	Governmental Activities
Governmental Activities					
General Government	\$ (815,908)	\$ 632,992	\$ -0-	\$ -0-	\$ (182,916)
Total Governmental Activities	<u>\$ (815,908)</u>	<u>\$ 632,992</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (182,916)</u>
General Revenues					
Interest Income					3,940
Other Income					6,853
Total General Revenues					<u>10,793</u>
Change in Net Position					(172,123)
Net Position - Beginning					(76,704)
Net Position - Ending					<u>\$ (248,827)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2014**

	<u>Governmental Activities</u>
Assets	
Cash	\$ 149,588
Investments	15,000
Receivables (Net of Allowances For Uncollectable)	<u>2,688</u>
Total Assets	<u>167,276</u>
Liabilities	
Accounts, Salaries, & Other Payables	<u>1,591</u>
Total Liabilities	<u>1,591</u>
Fund Balances	
Fund Balance, Unassigned	<u>165,685</u>
Total Liabilities & Fund Balances	<u>\$ 167,276</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2014**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 165,685
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental funds.	34,004
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
OPEB Obligation	<u>(448,516)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>(248,827)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014**

	Governmental Activities
Revenues	
Fees & Charges	\$ 485,559
Interest Income	3,940
Other	6,853
Total Revenues	<u>496,352</u>
Expenditures	
Personnel & Related Benefits	392,870
Operating Services	92,640
Travel & Professional Development	9,095
Intergovernmental	4,285
Capital Outlay	-0-
Total Expenditures	<u>498,890</u>
Net Change in Fund Balance Before Other Financing Sources	(2,538)
Other Financing Sources	
Contributions, Capital Grants	<u>-0-</u>
Net Change in Fund Balance	(2,538)
Fund Balances-Beginning	168,223
Fund Balances-Ending	<u>\$ 165,685</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2014**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ (2,538)
--	------------

Governmental funds report capital outlays as expenditure. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	-0- <u>(8,502)</u>	(8,502)
--	-----------------------	---------

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-0-	-0-
--	-----	-----

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Payroll Related Benefits (OPEB)	<u>(161,083)</u>	
---------------------------------	------------------	--

Changes in Net Position of Governmental Activities, Statement B	\$ <u>(172,123)</u>	
---	---------------------	--

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Position
June 30, 2014**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	\$ 360,158	\$ 168,553	\$ 528,711
Investments	366,074	-0-	366,074
Accounts Receivable	72,603	-0-	72,603
Total Assets	<u>798,835</u>	<u>168,553</u>	<u>967,388</u>
Liabilities			
Held For Others Pending Court Action	798,835	168,553	967,388
Total Liabilities	<u>798,835</u>	<u>168,553</u>	<u>967,388</u>
Net Position	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Catahoula Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Governmental Funds

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the clerk are the agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on the general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Marriage licenses, fees, charges, and commissions for services are recorded in the year they are earned.

Interest income on time deposits is reported when the time deposits have matured and the income is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources and Expenditures

Proceeds from and expenditures for the capital leases are recognized when received or due as another financing source and expenditure.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Agency Fund

The Agency Fund statements and schedules have been prepared on the modified accrual basis of accounting, with collections recognized in the year they are earned and distributions reflected when liability is incurred.

Government-Wide Financial Statements (GWFS)

These statements include all the financial activities of the clerk. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement NO. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

- Capital Assets, Net
- OPEB Obligation

E. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the entity's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

- *Category 1* – Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- *Category 3* – Uncollateralized.

	Bank Balance 6/30/2014
Southern Heritage Bank	\$ 742,786
Catahoula/LaSalle Bank	439,914
Sicily Island Bank	3,000
Total	<u>1,185,700</u>
 <i>Secured as Follows:</i>	
FDIC (<i>Category – 1</i>)	843,000
Securities held by Bank in Clerk's name (<i>Category – 2</i>)	1,182,041
Uncollateralized (<i>Category – 3</i>)	-0-
Total	<u>\$ 2,025,041</u>

All deposits were fully secured at year end.

F. INVESTMENTS

Investments are limited by R.S. 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10 - 20 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 7 years

J. VACATION & SICK LEAVE

Employees of the Clerk's office earn two weeks of vacation leave and five days of sick leave each two years. The leave must be used in the two years earned. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure to conform to generally accepted accounting principles.

K. RESTRICTED NET POSITION

For government-wide Statement of Net Position, net position are reported as restricted when constraints placed on net position use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

L. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

M. AMOUNTS DUE PARISH TREASURY

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2014, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. RECEIVABLES

The receivables at June 30, 2014, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Advance Deposit Fund</u>
Civil Suits	\$ -0-	\$ 72,603
Other	2,688	-0-
Total	<u>\$ 2,688</u>	<u>\$ 72,603</u>

Allowances for doubtful accounts are considered immaterial and therefore, are not presented.

3. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, is as follows:

	<u>Balance 6-30-13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-14</u>
Governmental Activities				
Furniture & Equipment	\$ 123,902	\$ -0-	\$ -0-	\$ 123,902
Less Accumulated Depreciation	(81,396)	(8,505)	-0-	(89,901)
Capital Assets, Net	<u>\$ 42,506</u>	<u>\$ (8,505)</u>	<u>\$ -0-</u>	<u>\$ 34,001</u>

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

4. PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after the age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504)293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Catahoula Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Catahoula Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Clerk of Court's contributions to the System for the year ending June 30, 2014, was \$50,180, equal to the required contributions for the year.

5. ACCOUNTS, SALARIES, & OTHER PAYABLES

The payables of \$1,591 at June 30, 2014, are as follows:

<u>Description</u>	<u>General Fund</u>
Accounts Payable	\$ <u>1,591</u>

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

6. OPERATING LEASES

The Clerk's Office has one operating lease with GMAC for the lease of an automobile originated September 10, 2011, for \$636.98 per month for 36 months. Future lease payments are as follows:

Future Lease Payments Due	
2014	\$ 1,911
Total	\$ 1,911

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Catahoula Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk's group health insurance plan. Benefit provisions are established by the Catahoula Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2011, the Catahoula Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Catahoula Parish Clerk of Court contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2014, the Catahoula Parish Clerk of Court contributed \$4,235, to the plan.

Annual OPEB Cost and Net OPEB Obligation. The clerk's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Catahoula Parish Clerk of Court has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the clerk's net OPEB obligation to the retiree healthcare plan.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Annual required contribution	159,569
Interest on net OPEB obligation	5,749
Adjustment to annual required contribution	-0-
Annual OPEB cost (expense)	<u>165,318</u>
Contributions made	<u>4,235</u>
Increase in net OPEB obligation	161,083
Net OPEB obligation at beginning of year	<u>287,433</u>
Net OPEB obligation at end of year	<u>448,516</u>

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the clerk's office.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2008 United States Life Tables for Males and for Females, revised September 24, 2012, were used.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.0% initially, increased to an ultimate rate of 6.8% after ten years, was used.

Health insurance premiums - 2013 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 3.95% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2013 Annual.

Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the clerk's short-term investments, a discount rate of 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, was twenty-nine years.

8. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH POLICE JURY

The Clerk of Court's Office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse are, as required by Louisiana law, paid by the Catahoula Parish Police Jury. These expenditures are not included in the accompanying financial statements.

9. CHANGES IN AGENCY NET POSITION

A summary of changes in agency net assets due to taxing bodies and others follows:

	Balance 6-30-13		Additions		Reductions		Balance 6-30-14
Advance Deposit Fund	\$ 618,678	\$	655,276	\$	(475,119)	\$	798,835
Registry of Court Fund	221,775		813,790		(867,012)		168,553
Total	\$ 840,453	\$	1,469,066	\$	(1,342,131)	\$	967,388

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

10. DEFICIT IN NET POSITION

The Office has a deficit in net position of \$(248,827) in the general fund caused by the OPEB obligation of \$448,516.

Required Supplemental Information

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Schedule of Funding Progress - Retiree Healthcare Plan
June 30, 2014
(Unaudited)**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2013	None	\$1,292,088	\$1,292,088	0.00%	\$288,648	448%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

See Auditor's report

CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2014

	<u>Budget Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Budget Variances Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees & Charges	\$ 524,600	\$ 449,000	\$ 485,559	\$ 36,559
Interest Income	4,000	3,000	3,940	940
Other	9,000	7,000	6,853	(147)
Total Revenues	<u>537,600</u>	<u>459,000</u>	<u>496,352</u>	<u>37,352</u>
Expenditures				
Personnel & Related Benefits	372,000	400,000	392,870	7,130
Operating Services	123,500	83,000	92,640	(9,640)
Travel & Professional Development	14,000	21,000	9,095	11,905
Intergovernmental	17,600	14,000	4,285	9,715
Capital Outlay	-0-	-0-	-0-	-0-
Miscellaneous	10,500	10,000	-0-	10,000
Total Expenditures	<u>\$ 537,600</u>	<u>\$ 528,000</u>	<u>498,890</u>	<u>\$ 29,110</u>
Net Change in Fund Balance			(2,538)	
Fund Balances-Beginning			168,223	
Fund Balances-Ending			<u>\$ 165,685</u>	

The accompanying notes are an integral part of this statement.

Other Reports

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Janet T. Payne
Catahoula Parish Clerk of Court

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Clerk of Court, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Clerk of Court's basic financial statements, and have issued our report thereon dated August 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Catahoula Parish Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Catahoula Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Catahoula Parish Clerk of Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Catahoula Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

August 28, 2014

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2014**

We were engaged to audit the financial statements of the Catahoula Clerk of Court, Harrisonburg, Louisiana, as of and for the year ended June 30, 2014, and have issued our report thereon dated August 28, 2014. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2014, resulted in an unmodified report.

Section I Summary of Auditor's Results

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Other Conditions Yes ☐ No ☐

Type of Opinion On Compliance Unmodified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2014**

Section II Financial Statement Findings

No items to report.

Section III Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Catahoula Clerk of Court's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2014-M-1 Deletion of Old Transactions

Comment: Old outstanding checks in the advanced deposit account should be adjusted off of the books.

Client Response: The Clerk's Office will adjust old outstanding checks from the books of the advanced deposit account.

**CATAHOULA PARISH CLERK OF COURT
HARRISONBURG, LOUISIANA
JUNE 30, 2013**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Clerk of Court, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2013.

PRIOR YEAR FINDINGS

2013-M-1 Deletion of Old Transactions (Unresolved)

Finding: Old outstanding checks in the advanced deposit account need to be adjusted out of books.

Entity's Corrective Action: The Clerk's Office will adjust old outstanding checks from the books of the advanced deposit account.